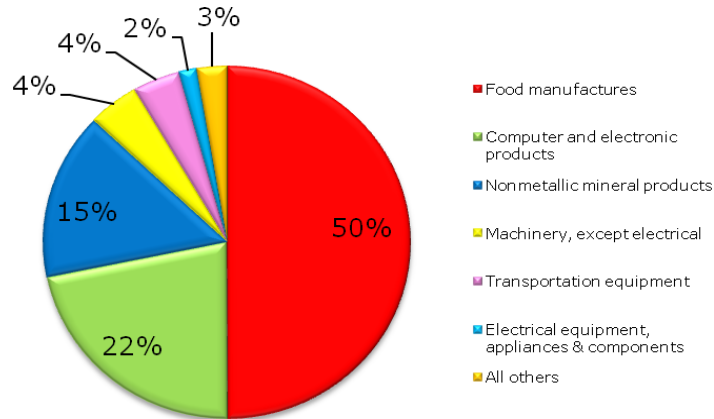


Colorado and the Russian Market

Top Merchandise Exports to Russia

Percent of Total Exports to Russia in 1H 2011¹

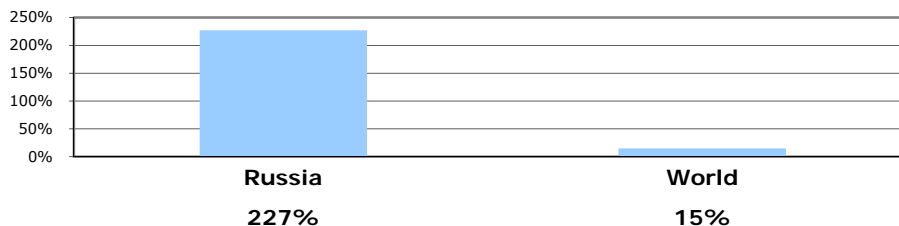


Exports to Russia in US\$ Thousands

Product	2007	2008	2009	2010	% Change 2009-2010	1H 2010	1H 2011
Total	37,603	26,257	14,445	47,236	227%	26,278	31,135
Food manufactures	3,375	9,158	2,742	29,487	975%	20,024	15,545
Computer and electronic products	8,206	7,382	3,495	6,416	84%	2,287	6,798
Nonmetallic mineral products	274	640	399	4,005	904%	1,034	4,786
Machinery, except electrical	18,194	4,777	4,708	2,259	-52%	557	1,405
Transportation equipment	4,800	1,859	1,754	2,219	26%	1,024	1,292
Electrical equipment, appliances & components	1,184	465	192	172	-10%	79	493
All others	1,570	1,976	1,155	2,678	-36%	1,273	815

Colorado's exports to Russia have grown faster than the state's exports to the world

In 2010, Colorado's exports to Russia grew 227% over the previous year's total, while its exports to the world grew by only 15%



Russia's WTO accession will increase opportunities for Colorado's top exports



Food manufactures: The Russian market offers opportunities for U.S. firms and farmers seeking to export crops and value-added food products. In acceding to the WTO, **Russia will be obligated to bind its agricultural tariffs² and abide by science-based sanitary and phytosanitary (SPS) standards**, adding more predictability to the trading relationship and opening export opportunities for food producers.



Computer and electronic products: Russia's personal computer market and software market are projected to **more than double in size** between 2010 and 2015, with sales of PCs expected to rise from \$7 billion in 2010 to \$15 billion in 2015 and software sales projected to grow from \$3 billion in 2010 to more than \$6 billion by 2015.³ **As part of its WTO commitments, Russia will permit IT imports to enter the country duty-free.⁴**



Machinery and transportation equipment: Russia's economic prosperity depends on high-quality machinery for use in multiple sectors, as well as a transportation sector capable of bridging the vast expanses of the country's territory. Demand for vehicles, equipment and transportation infrastructure in Russia generates significant export opportunities for U.S. manufacturers of transportation and other equipment. Under the terms of its WTO accession package, **Russia will cut tariffs on manufactured goods to an average of 8%.⁵**

Success Stories in Colorado-Russia Commercial Ties



Cargill, Inc., which has been active in the Russian market for 30 years, exports meat products to Russia from several facilities in the U.S., including a facility in Ft. Morgan, Colorado. Since 1991, the company has complemented its U.S. operations with more than \$700 million worth of investments in its activities on the Russian agricultural market.⁶



Colorado's **Wagner Equipment** holds a 50-percent stake in Vostochnaya Technica, a Siberia-based distributor of **Caterpillar** machinery.⁷ In 2010, Vostochnaya Technica sourced more than \$10 million worth of mining equipment from Wagner's facility in Aurora, Colorado.⁸



Russia-based **VSMPO-Avisma**, the world's largest titanium producer, employs U.S. workers through its Highlands Ranch, Colorado-based subsidiary, **VSMPO-Tirus**, which provides a wide range of titanium mill products to customers operating in the aerospace, medical, automotive aftermarket and consumer goods sectors.⁹

Other Companies with a Presence in Colorado that Export to and/or Do Business with Russia

3M Company
Air Products and Chemicals, Inc.
The Boeing Company
CH2M Hill
Citigroup, Inc.
CQG, Inc.
Diversified Machine Systems, Inc.
Evraz Group

IHS Energy
International Paper Company
Koppers Inc.
Leprino Dairy Products Co.
Molson Coors Brewing Company
Swift and Company
VMware, Inc.
Western Union

¹ Source for State Export Data: Office of Trade and Industry Information, Manufacturing and Services, International Trade Administration, U.S. Department of Commerce

² Results of Bilateral Negotiations on Russia's Accession to the World Trade Organization (WTO): Agricultural Goods Market Access, Office of the U.S. Trade Representative, November 19, 2006.

³ Russia Consumer Electronics Report Q2 2010, "Business Monitor International, <http://www.companiesandmarkets.com/Summary-Market-Report/russia-consumer-electronics-report-q2-2010-278893.asp>, March 17, 2010; "Russia Information Technology Report Q1 2011," companiesandmarkets.com, <http://www.pr-inside.com/russia-information-technology-report-q1-2385265.htm>, January 31, 2011.

⁴ "Non-Agricultural Goods Market Access," Office of the U.S. Trade Representative, November 19, 2006.

⁵ Factsheet on U.S.-Russia WTO Bilateral Market Access Agreement, Office of the U.S. Trade Representative, November 10, 2006.

⁶ Cargill in Russia, "Cargill, Incorporated Website, <http://www.cargill.ru/russia/en/home/about/index.jsp>, (accessed January 20, 2011).

⁷ "История компании," Vostochnaya Technica Website, http://www.vost-tech.ru/about_company/history/, (accessed November 7, 2011).

⁸ "Colorado," Trade Supports Jobs Website, U.S. Chamber of Commerce, <http://www.tradesupportsjobs.com/state/colorado>, (accessed November 7, 2011).

⁹ VSMPO-Tirus, US, "VSMPO-AVISMA Corporation Website, <http://www.vsm-po-tirus.com/index.php>, (accessed June 28, 2011).